

CRAVATH, SWAINE & MOORE

ONE CHASE MANHATTAN PLAZA

NEW YORK, N. Y. 10005

212 HANOVER 2-3000

TELEX

RCA 236663

WUD 125547

WUL 620976

RECORDATION NO. 10757

Filed 1425

OCT 9 1979 - 12 45 PM

INTERSTATE COMMERCE COMMISSION

No. OCT 9 1979

Date

Fee \$ 100.00 - 20.00

ICC Washington, D. C.

October 8, 1979

Funding Systems Railcars, Inc.

Amended and Restated Security Agreement

Dated as of October 9, 1979

RECORDATION NO. 10757

Filed 1425

OCT 9 1979 - 12 45 PM

[CS&M Ref: 2605-106]

INTERSTATE COMMERCE COMMISSION

Dear Sirs:

Pursuant to 49 U.S.C. § 11303(a) I enclose here-
with on behalf of Funding Systems Railcars, Inc., for filing
and recordation, counterparts of the following:

(1) Amended and Restated Security Agreement
dated as of October 9, 1979, among Funding Systems
Railcars, Inc., Lincoln First Bank N.A. and General
Electric Credit Corporation; and

(2) Amended and Restated Transferee Agreement
dated as of October 9, 1979, among The Weiler-Arnov
Investment Company, Lincoln First Bank N.A. and
General Electric Credit Corporation.

The addresses of the parties to the aforementioned
agreements are:

Debtor:

Funding Systems Railcars, Inc.
1000 RIDC Plaza (Suite 404)
Pittsburgh, Pennsylvania 15238

RECEIVED
OCT 9 12 35 PM '79
I.C.C.
FEE OPERATION BR.

MAURICE T. MOORE
BRUCE BROMLEY
WILLIAM B. MARSHALL
RALPH L. MCAFEE
ROYALL VICTOR
ALLEN H. MERRILL
HENRY W. OKOSMIAN
ALLEN F. MAULSBY
STEWART R. BROSS, JR.
HENRY P. RIORDAN
JOHN R. HUPPER
SAMUEL C. BUTLER
WILLIAM J. SCHRENK, JR.
BENJAMIN F. CRANE
FRANCIS F. RANDOLPH, JR.
JOHN F. HUNT
GEORGE J. GILLESPIE, III
RICHARD S. SIMMONS
WAYNE E. CHAPMAN
THOMAS D. BARR
MELVIN L. BEDRICK
GEORGE T. LOWY
ROBERT ROSENMAN
JAMES H. DUFFY
ALAN J. HRUSKA

JOHN E. YOUNG
JAMES M. EDWARDS
DAVID G. ORMSBY
DAVID L. SCHWARTZ
RICHARD J. HIEGEL
FREDERICK A. O. SCHWARZ, JR.
CHRISTINE BESHAR
ROBERT S. RIFKIND
DAVID BOIES
DAVID O. BROWNWOOD
PAUL M. DODYK
RICHARD M. ALLEN
THOMAS R. BROME
ROBERT D. JOFFE
ROBERT F. MULLEN
ALLEN FINKELSON
RONALD S. ROLFE
JOSEPH R. SAHID
PAUL C. SAUNDERS
MARTIN L. SENZEL
DOUGLAS D. BROADWATER
ALAN C. STEPHENSON
RICHARD L. HOFFMAN
JOSEPH A. MULLINS
MAX R. SHULMAN

COUNSEL
CARLYLE E. MAW
ALBERT R. CONNELLY
FRANK H. DETWEILER
GEORGE G. TYLER

ROSWELL L. GILPATRICK
L. R. BRESLIN, JR.
GEORGE B. TURNER
JOHN H. MORSE
HAROLD R. MEDINA, JR.
CHARLES R. LINTON

4, PLACE DE LA CONCORDE
75008 PARIS, FRANCE
TELEPHONE: 265-81-84
TELEX: 290530

33 THROGMORTON STREET
LONDON, EC2N 2BR, ENGLAND
TELEPHONE 01-606-1421
TELEX: 6814901

CABLE ADDRESSES
CRAVATH, N. Y.
CRAVATH, PARIS
CRAVATH, LONDON E. C. 2

Matthew Greenman

Owner-Transferee:

The Weiler-Arnow Investment Company
1114 Avenue of the Americas
New York, N.Y. 10036

Interim Lender:

Lincoln First Bank N.A.
One Lincoln First Square
Rochester, New York 14643

Secured Party:

General Electric Credit Corporation
260 Long Ridge Road
Stamford, Connecticut 06902

The equipment covered by the aforementioned agreements consists of 180 100-ton open top hopper cars bearing the road numbers UMP 6920-7099, inclusive, and also bearing the legend "Leased from a Corporation and Subject to a Security Interest recorded with the Interstate Commerce Commission."

Please cross-index the Amended and Restated Security Agreement and Amended and Restated Transferee Agreement to the filings under recordation number 10757.

Enclosed is our check for \$100 for the required recordation fee. Please accept for recordation one counterpart of each of the enclosed agreements, stamp the remaining counterparts with your recordation number and return them to the delivering messenger along with your fee receipt, addressed to the undersigned.

Very truly yours,

Laurance V. Goodrich

Laurance V. Goodrich
As Agent for Funding Systems
Railcars, Inc.

Mr. H. G. Homme, Jr., Secretary,
Interstate Commerce Commission,
Washington, D.C. 20423

Encls.

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RECORDATION NO. 10757-C Filed 1425 E

OCT 9 1979 - 12 45 PM

INTERSTATE COMMERCE COMMISSION

AMENDED AND RESTATED TRANSFEREE AGREEMENT

THIS AMENDED AND RESTATED TRANSFEREE AGREEMENT dated as of October 9, 1979, among THE WEILER-ARNOW INVESTMENT COMPANY ("Transferee"), LINCOLN FIRST BANK N.A. ("Interim Lender") and GENERAL ELECTRIC CREDIT CORPORATION ("Secured Party") hereby amends and restates the Transferee Agreement dated as of August 21, 1979, between the Transferee and the Interim Lender ("Interim Transferee Agreement").

RECITALS

A. The Interim Lender has provided interim financing to enable Funding Systems Railcars, Inc. ("Debtor"), to purchase certain railroad equipment described on Schedule A hereto ("Previously Acquired Equipment").

B. The Debtor's obligation to pay the Interim Lender is evidenced by a promissory note ("Interim Note") of the Debtor.

C. The Interim Transferee Agreement was filed and recorded with the Interstate Commerce Commission on August 29, 1979, Recordation No. 10757-C.

D. The Interim Lender wishes to sell the Interim Note, and the Secured Party wishes to purchase from the Interim Lender the Interim Note secured by the security interests relating thereto.

E. The Secured Party is making a loan to the Debtor in part to enable it to purchase the balance of the railroad equipment described on Schedule A hereto (the "Additional Equipment") (the Additional Equipment and the Previously Acquired Equipment being collectively called "Equipment"). Such loan is being evidenced by the Debtor's promissory note in the form of Exhibit A to the Amended and Restated Security Agreement ("Debtor Security Agreement") dated as of the date hereof among the Debtor, the Interim Lender and the Secured Party. In addition, upon acquisition by the Secured Party, the Interim Note is being surrendered to the Debtor against the issuance and delivery to the

Secured Party of a promissory note in the form of said Exhibit A in substitution therefor in a like principal amount plus the principal amount of the additional loan referred to in Section 1.2. Said promissory note and any and all promissory notes issued in exchange therefor are hereinafter called collectively the "Note".

F. The Debtor has sold the Previously Acquired Equipment, subject to the security interest of the Interim Lender, to the Owner; the Owner has entered into a Management and Maintenance Contract ("Management and Maintenance Contract") with Upper Merion and Plymouth Railroad Company, a Pennsylvania corporation ("UMP"), pursuant to which UMP agreed to manage the Previously Acquired Equipment as manager for the Owner; and the Owner has entered into the Interim Transferee Agreement pursuant to which the Owner granted to the Interim Lender a security interest in the Owner's rights under the Management and Maintenance Contract.

G. The Interim Transferee Agreement as amended by this Amended and Restated Transferee Agreement is hereinafter called "Security Agreement and Assignment".

H. All of the requirements of law relating to the transactions contemplated hereby have been fully complied with and all other acts and things necessary to make this Security Agreement and Assignment a valid, binding and legal instrument for the security of the Note have been done and performed.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto hereby agree as follows:

SECTION 1. Interim Note, New Loan, Guarantee Agreement, Additional Equipment and UMP Consent and Agreement

1.1. Purchase and Sale of the Interim Note.

On the date hereof the Interim Lender has sold to the Secured Party and the Secured Party has purchased from the Interim Lender, the Interim Note in the aggregate principal amount of \$1,900,000, and the Debtor has paid the interest accrued on the Interim Note to the date hereof. The Interim Lender has endorsed the Interim Note, without recourse, to the Secured Party, and the Secured Party has surrendered the Interim Note to the Debtor in exchange for the Note referred to in Section 1.2.

1.2. The New Loan and the Note. On the date hereof the Secured Party has made an additional loan to the Debtor in part to finance the acquisition of the balance of the Equipment, such loan being in the principal amount of \$2,362,400, and the Debtor has issued to the Secured Party a Note in the principal amount of \$4,262,400 (being the sum of the principal amount of the Interim Note and the principal amount of the additional loan).

1.3. Guarantee Agreement. On the date hereof FSC Corporation, a Delaware corporation ("Guarantor"), which owns all the issued and outstanding capital stock of the Debtor and UMP, has unconditionally guaranteed the due and punctual payment of the principal of, and interest on the Note and the performance and observance by the Debtor of all the covenants contained therein and in the Debtor Security Agreement, pursuant to a Guarantee Agreement substantially in the form of Exhibit B to the Debtor Security Agreement.

1.4. Additional Equipment. On the date hereof the Owner has purchased the Additional Equipment from the Debtor subject to the security interest of the Secured Party under the Debtor Security Agreement, and the Additional Equipment has been placed under the Management and Maintenance Contract.

1.5. UMP Consent and Agreement. UMP has made certain representations and warranties to the Debtor and the Secured Party and has consented and agreed to this Security Agreement and Assignment pursuant to a Consent and Agreement dated the date hereof ("UMP Consent and Agreement") substantially in the form of Exhibit D to the Debtor's Security Agreement.

SECTION 2. Grant of Security and Assignment

2.1. Grant of Security and Assignment. The Transferee, in consideration of the premises and of the sum of Ten Dollars received by the Transferee from the Secured Party and in order to secure the payment of the principal of and interest on the Note according to its terms, and to secure the payment of all other indebtedness thereby secured and the performance and observance of all covenants and conditions in the Note, and in this Security Agreement and Assignment contained, does hereby convey, warrant, mortgage, pledge, assign and grant the Secured Party, its successors and assigns, a security interest in all and singular of the Transferee's right, title and interest in and

to the Management and Maintenance Contract subject only to the exceptions, reservations and limitations contained in Section 2.4 hereof (all of which properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Additional Collateral"); provided, however, that to the extent the term "Collateral" relates to the Previously Acquired Equipment, such security interest is being acquired hereunder by the Secured Party by assignment from the Interim Lender of its rights under the Interim Transferee Agreement and not by grant from Transferor on the date hereof.

2.2. Additional Collateral. Additional Collateral also includes all right, title, interest, claims and demands of the Transferee in, to and under the Management and Maintenance Contract including any and all amendments thereto whether now existing or hereafter entered into, including all extensions of the term thereof with all rights, powers, privileges, options and other benefits of the Transferee under the Management and Maintenance Contract, including, without limitation, but subject always to the exceptions, reservations and limitations contained in Section 2.4 hereof: the immediate and continuing right to receive and collect all revenue, insurance proceeds, condemnation awards and other payments, tenders and security now or hereafter payable to or receivable by the Transferee under the Management and Maintenance Contract or pursuant thereto.

2.3. Duration of Security Interest. The Secured Party, its successors and assigns shall have and hold the Additional Collateral forever; provided always, however, that if the indebtedness hereby secured shall be paid in full and Transferee and Debtor shall observe, keep and perform all the terms and conditions, covenants and agreements herein and in the Debtor Security Agreement and the Note respectively contained, then these presents and the estate hereby granted and conveyed shall cease and this Security Agreement and Assignment shall become null and void; otherwise to remain in full force and effect.

2.4. Excepted Rights in Collateral. There are expressly excepted and reserved from the security interest and operation of this Security Agreement and Assignment any insurance proceeds payable under general public liability policies maintained by or for the benefit of Transferee (hereinafter sometimes referred to as the "Excepted Rights in Collateral") and nothing herein or in any other agreement

contained shall constitute an assignment of the Excepted Rights in Collateral to the Secured Party.

SECTION 3. Covenants and Warranties of the Transferee

The Transferee covenants, warrants and agrees as follows:

3.1. Transferee's Duties. The Transferee covenants and agrees well and truly to perform, abide by and to be governed and restricted by each and all of the terms, provisions, restrictions, covenants and agreements set forth in this Security Agreement and Assignment, the Management and Maintenance Contract, and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, restrictions, covenants and agreements were fully set out herein.

3.2. Transferee's Covenants. The Transferee covenants and agrees that all right, title and interest in the Equipment received by the Transferee from the Debtor is subject and subordinate in all respects to the security interest of the Secured Party in the Equipment. The Transferee shall pay or discharge any and all claims, liens, charges or security interests on the Equipment claimed by any party from, through or under the Transferee, its successors or assigns not arising out of the transactions contemplated by the Debtor Security Agreement (but including tax liens arising out of the receipt by Transferee of income and proceeds from the Equipment and the Additional Collateral) which if unpaid might become a claim, lien, charge or security interest on or with respect to the Equipment and the Additional Collateral; provided, however, that Transferee shall not be required to discharge such claim, lien, charge or security interest so long as the validity thereof shall be contested in good faith and by appropriate legal or administrative proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Secured Party, adversely affect its security interest in or to the Equipment and Additional Collateral or any portion thereof. The Equipment acquired by Transferee is free and clear of any liens or encumbrances which result from claims against Transferee not relating to ownership of such Equipment. Transferee has not by affirmative act conveyed title to such

Equipment to any person or entity or subjected the Equipment to any lien or encumbrance other than the Permitted Liens (as defined in the Debtor Security Agreement). The Transferee has full right, power and authority to execute and deliver and to carry out the terms and provisions of the agreements and related documents (the "Transfer Documents") relating to the purchase of the Equipment from Debtor and management of the Equipment. There are no proceedings pending, or to Transferee's knowledge threatened, against or affecting Transferee in any court or before any governmental authority or arbitration board or tribunal which, if adversely determined, would materially and adversely affect Transferee's right, power and authority to enter into the Transfer Documents or perform its obligations thereunder.

3.3. Further Assurances. The Transferee will do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Additional Collateral, whether now owned or hereafter acquired, subject to the provisions of Section 6.5 hereof. Without limiting the foregoing but in furtherance of the security interest herein granted in the revenues and other sums due and to become due under the Management and Maintenance Contract, the Transferee covenants and agrees that it will direct UMP to make all payments of revenues derived under the Management and Maintenance Contract, other than the Excepted Rights in Collateral, directly to the Secured Party or as the Secured Party may direct.

3.4. Recordation and Filing. The Transferee will cause this Security Agreement and Assignment and any supplements hereto, the Management and Maintenance Contract, and any supplements thereto and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at the sole expense of Debtor in such manner and in such places as may be required by law in order fully to preserve and protect the rights of the Secured Party hereunder.

3.5. Negative Covenants. The Transferee will not:

- (a) declare a default or exercise the remedies of the Transferee under, or terminate or modify or accept a surrender of, or offer or agree to, any termination

or modification or surrender of or waiver with respect to, the Management and Maintenance Contract; provided, however, that Transferee shall have the right to terminate the Management and Maintenance Contract upon the occurrence of an event of default thereunder if (i) Transferee shall have entered into a new Management and Maintenance Contract substantially in the form of the Management and Maintenance Contract (or other form reasonably satisfactory to Secured Party) with a Manager reasonably satisfactory to Secured Party and (ii) Transferee shall have assigned and granted a security interest therein to Secured Party on the same terms and conditions herein set forth;

(b) receive or collect or permit the receipt or collection of any payment under the Management and Maintenance Contract, prior to the date for payment thereof provided for by the Management and Maintenance Contract or assign, transfer or hypothecate (other than to the Secured Party) any payment then due or to accrue in the future under the Management and Maintenance Contract, in respect of the Equipment; or

(c) sell, mortgage, transfer, assign or hypothecate its interest in the Equipment or the Additional Collateral or any part thereof or in any amount to be received by it from the use or disposition of the Equipment without the prior written consent of the Secured Party, which consent shall not be unreasonably withheld.

3.6. Power of Attorney in Respect of Management and Maintenance Contract. Transferee does hereby irrevocably constitute and appoint the Secured Party its true and lawful attorney with full power of substitution for it and in its name, place and stead, to ask, demand, collect, receive, receipt and sue for any and all income and other sums which are assigned under Sections 2.1 and 2.2 and to endorse the name of the Transferee on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Transferee or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such revenues and other sums and the security intended to be afforded hereby.

Rider 8

five business days after written notice from the Secured
Party to the Debtor; or

A.L.L.
m.j.k.

SECTION 4. Application of Revenues and Certain Other Moneys Received by the Secured Party

4.1. Application of Revenues; Certain Prepayments. Transferee and Secured Party hereby expressly consent and agree that all amounts from time to time received by Secured Party constituting payment of revenues under the Management and Maintenance Contract or casualty insurance proceeds in respect of the Equipment shall be applied by Secured Party in the manner and priority set forth in Section 5 of the Debtor Security Agreement.

SECTION 5. Defaults and Other Provisions

5.1. Events of Default. The term Event of Default shall mean one or more of the following:

(a) default in payment of an installment of the principal of, or interest on, or premium on, the Note when and as the same shall become due and payable, whether at the due date thereof or at the date fixed for any prepayment or by acceleration or otherwise, and any such default shall continue unremedied for ~~10 days,~~

~~or~~

Rider 8

(b) an Event of Default, as defined in the Debtor Security Agreement, shall occur and be continuing;
or

(c) an Event of Default, as defined in the Management and Maintenance Contract, shall occur and be continuing subject to Section 3.5(a); or

(d) default on the part of the Transferee in the due observance or performance of any covenant or agreement to be observed or performed by the Transferee under this Security Agreement and Assignment, and such default shall continue unremedied for 30 days after written notice from the Secured Party to the Transferee specifying the default and demanding the same to be remedied; or

(e) any representation or warranty on the part of the Debtor, UMP or Transferee made herein, in the Debtor Security Agreement, or in the Management and Maintenance Contract or in any report certificate, financial or other statement furnished in connection with this Security Agreement and Assignment, the Debtor

Security Agreement, the Management and Maintenance Contract shall prove to be false or misleading in any respect materially adverse to the Secured Party when made; or

(f) any claim, lien or charge prohibited by Section 2.2 hereof (other than Permitted Liens) shall be asserted against or levied or imposed upon the Equipment, and such claim, lien or charge shall not be discharged or removed within 30 calendar days; or

(g) any proceeding commenced by or against the Transferee for any relief which includes or might result in any modification of the obligations of the Transferee under this Security Agreement and Assignment under any bankruptcy or insolvency law or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions, or if commenced against Transferee such proceedings shall not have been dismissed within 90 days.

5.2. Secured Party's Rights. The Transferee agrees that when any Event of Default has occurred and is continuing, the Secured Party shall have the rights, options, duties and remedies of a secured party, and the Transferee shall have the rights and duties of a debtor, under the Uniform Commercial Code of the State of New York (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and the Secured Party shall have the following rights and remedies:

(a) The Secured Party may, by notice in writing to the Transferee, declare the entire unpaid balance of the Note to be immediately due and payable; and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable.

(b) The Secured Party may proceed to exercise all rights, privileges and remedies of the Transferee under the Management and Maintenance Contract and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Transferee for the use and benefit of the Secured Party.

The Transferee shall have the right to cure not more than

four payment defaults under Section 6.1(a) of the Debtor Security Agreement, no more than two of which payment defaults may be consecutive. The Secured Party will use its best efforts to notify the Owner of any default under the Debtor Security Agreement of which the Secured Party has knowledge, but its failure to do so shall not limit its rights and remedies under the Debtor Security Agreement.

5.3. Application of Sales Proceeds. The proceeds and/or avails of any sale of the Equipment, or any part thereof, and the proceeds and the avails of any remedies hereunder, including proceeds of the Management and Maintenance Agreement, shall be paid to and applied as follows:

(a) first, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all property expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Secured Party, or the holder or holders of the Note and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) second, to the payment of the holder or holders of the Note of the amount then owing or unpaid on the Note for principal and interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Note, then in the order of priority established in the Note; and

(c) third, to the payment of the surplus, if any, to the Transferee or to whomsoever may be lawfully entitled to receive the same.

5.4. Cumulative Remedies. No delay or omission of the Secured Party or of the holder of the Note to exercise any right to power arising from any default on the part of the Debtor or Transferee shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party, or the holder of the Note of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided herein. The Secured Party may exercise any one or more or all of the remedies hereunder and no remedy is intended to be exclusive of any other remedy but each and every remedy shall be cumulative

and in addition to any and every other remedy given hereunder or otherwise existing now or hereafter at law or in equity; nor shall the giving, taking or enforcement of any other or additional security, collateral or guarantee for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party or holder of the Note be required to first look to, enforce or exhaust such other or additional security, collateral or guarantees.

SECTION 6. Miscellaneous

6.1. Successors and Assigns. Whenever any of the parties hereto is referred to such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement and Assignment contained by or on behalf of the Transferee or by or on behalf of the Secured Party, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not. Following any transfer permitted hereunder all references to Transferee shall be deemed to refer solely to such permitted transferee.

6.2. Partial Invalidity. The unenforceability of invalidity of any provision or provisions of this Security Agreement and Assignment shall not render any other provision or provisions herein contained unenforceable or invalid.

6.3. Communications. All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specified provisions herein in respect of any matter) when deposited in the United States registered mail, first class, postage prepaid, addressed as follows:

To the Transferee: The Weiler-Arnold Investment Company
1114 Avenue of the Americas
New York, New York 10036

Attention of Alan G. Weiler, Esq.

with a copy to: Bergreen & Bergreen
660 Madison Avenue
New York, New York 10021

Attention of Bernard D. Bergreen, Esq.

with a copy to: Funding System Railcars, Inc.
Suite 404
1000 RIDC Plaza
Pittsburgh, Pennsylvania 15238

Attention of Allen E. Nugent II,
Vice President

To the Secured Party: General Electric Credit Corporation
260 Long Ridge Road
Stamford, Connecticut 06902

Attention of Manager-Operations,
Leasing and
Industrial Loans

with a copy to: General Electric Credit Corporation
260 Long Ridge Road
Stamford, Connecticut 06902

Attention of Manager--Rail Financing

To the Interim Lender: Lincoln First Bank N.A.
One Lincoln First Square
Rochester, New York 14643

Attention of Peter G. Posson,
Vice President

or to the Transferee, the Secured Party or the Interim Lender at such other address as the Transferee, the Secured Party or the Interim Lender may designate by notice duly given in accordance with this Section to the other party.

6.4. Release. The Secured Party shall release this Security Agreement and the security interest granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all indebtedness secured hereby has been fully paid or discharged.

6.5. Nonrecourse. Notwithstanding anything to the contrary contained in this Security Agreement and Assignment or any document collateral thereto, it is expressly understood and agreed that Transferee's liabilities and obligations shall be nonrecourse and enforceable exclusively against the Equipment and the Additional Collateral and Transferee does not assume any of the provisions of the

Debtor Security Agreement or the Note and Transferee shall not be personally liable for and the Secured Party shall not seek any deficiency or other money judgment against Transferee in any event.

6.6. Governing Law. This Security Agreement and Assignment shall be construed in accordance with and governed by the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303 and such additional rights arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof as shall be conferred by the laws of the secured jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited.

6.7. Counterparts. This Security Agreement and Assignment may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement and Assignment.

6.8. Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement and Assignment nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Transferee, the Secured Party and the Interim Lender have executed this Agreement as of the day and year first above written.

THE WEILER-ARNOW INVESTMENT
COMPANY,

by

Alan S. Weiler
Ass. General Manager

GENERAL ELECTRIC CREDIT
CORPORATION,by M. J. Kelly
Manager - Rail Financing

(Corporate Seal)

Attest:

R. M. [Signature]

LINCOLN FIRST BANK, N.A.,

by [Signature]

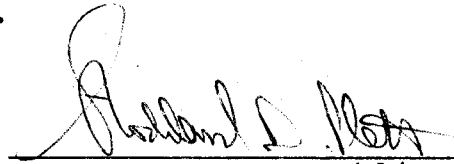
(Corporate Seal)

Attest:

Charles M. Braunsfeld

STATE OF NEW YORK,)
) ss.:
 COUNTY OF NEW YORK,)

On this 8th day of October 1979, before me personally appeared ALAN G. WEILER, to me personally known, who being by me duly sworn, did depose and say that he is an Ass. general partner of THE WEILER-ARNOW INVESTMENT COMPANY, a general partnership organized under the laws of the State of New York, the partnership described in and who executed the foregoing Agreement and he acknowledged the foregoing Agreement as his free act and deed.


 Notary Public

[Notarial Seal]

STODDARD D. PLATT
 Notary Public, State of New York
 No. 31-3116308
 Qualified in New York County
 Commission Expires March 30, 1981

STATE OF New York,)
) ss.:
 COUNTY OF New York,)

On this 8th day of October 1979, before me personally appeared MARTIN J. KELLY, to me personally known, who being by me duly sworn, says that he is the Manager-Rail Financing of GENERAL ELECTRIC CREDIT CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.


 Notary Public

[Notarial Seal]

CARYN E. WEINBERG
 Notary Public, State of New York
 No. 03-4633991
 Qualified in Bronx County
 Certificate filed in New York County
 Commission Expires March 30, 1980

STATE OF NEW YORK)
) SS.:
 COUNTY OF WESTCHESTER)

On this 5th day of October 1979, before me personally appeared Robert Hertzel to me personally known, by me duly sworn, said that he is a Senior Vice President of LINCOLN FIRST BANK, N.A., that one of the seals affixed to the foregoing instrument is the seal of said national banking association that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Charles M. Braunfeld

 Notary Public

(Seal)

CHARLES M. BRAUNFELD
 Notary Public, State of New York
 No. 44-5429260
 Qualified in Rockland County
 Certificate Filed in West. & Rock.
 Commission Expires March 3, 1980